



SECTION VI
TAX COLLECTOR
Vicki L. Potts

Independent Auditor's Report

Honorable Vickie L. Potts, CFM
Charlotte County Tax Collector
Port Charlotte, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2013, as listed in the table of contents. We also have audited the financial statements of each of the Tax Collector's agency funds as of and for the fiscal year ended September 30, 2013, presented as other supplementary information in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,

Auditor's Responsibility, continued

whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

As discussed in Note 1, the accompanying special-purpose financial statements were prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, and are not intended to be a complete presentation of the financial position and changes in financial position of the Tax Collector. Additionally, the special-purpose financial statements present only the Tax Collector and are not intended to present the financial position and changes in financial position of Charlotte County, Florida taken as a whole.

Opinions

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each agency fund of the Tax Collector as of September 30, 2013 and the respective changes thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 13 be presented to supplement the special-purpose financial statements. Such information, although not a part of the special-purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special-purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special-purpose financial statements, and other knowledge we obtained during our audit of the special-purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters, continued

Other Information

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements of the major fund and the aggregate remaining fund information. The Combining Statement of Fiduciary Net Assets - All Agency Funds as well as the Combining Statement of Changes in Assets and Liabilities - All Agency Funds are presented for additional analysis and are not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2014, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

This report is intended solely for the information and use of the Tax Collector's management, the Charlotte County, Florida, Board of County Commissioners and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Ashley Brown & Co.

Punta Gorda, Florida
January 9, 2014

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2013

Assets	<u>General</u>
Cash and cash equivalents	\$ 2,847,825
Total assets	<u>\$ 2,847,825</u>
Liabilities	
Liabilities	
Accounts and vouchers payable	\$ 14,421
Accrued liabilities	87,592
Due to other constitutional officers	
Board of County Commissioners	2,550,017
Due to other governmental agencies	195,795
Total liabilities	<u>\$ 2,847,825</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Fiscal Year Ended September 30, 2013

	<u>General</u>
Revenues:	
Charges for services	\$ 6,966,600
Miscellaneous	<u>74,217</u>
Total revenues	<u>7,040,817</u>
Expenditures:	
Current	
General government	<u>4,860,460</u>
Total expenditures	<u>4,860,460</u>
Excess of revenues over expenditures	<u>2,180,357</u>
Other financing sources (uses):	
Transfers out	<u>(2,180,357)</u>
Total other financing sources (uses)	<u>(2,180,357)</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-
Fund balance, October 1, 2012	-
Fund balance, September 30, 2013	<u>\$ -</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

Assets	Agency Funds
Cash and cash equivalents	\$ 5,561,183
Due from other governments	898
Due from individuals	7,480
Total assets	<u>\$ 5,569,561</u>
Liabilities	
Due to other constitutional officers:	
Board of County Commissioners	\$ 250,185
Property Appraiser	63
Total due to other constitutional officers	<u>250,248</u>
Due to other governments	428,572
Due to individuals	494,509
Deposits	4,396,232
Total liabilities	<u>\$ 5,569,561</u>

See accompanying notes.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Note 1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting principles and policies:

(a) Defining the Governmental Reporting Entity

The Tax Collector, as an elected constitutional officer, was established by the Constitution of the State of Florida, Article VIII, Section 1(d). As such, the Tax Collector's special purpose financial statements are included in the government wide financial statements of Charlotte County, the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Based on the criteria established by Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity", there are no component units included in the Tax Collector's financial statements.

(b) Fund Accounting

The accounts of the Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The following funds are used by the Tax Collector:

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector, which are not properly accounted for in another fund. All operating revenues, which are not specifically restricted or designated as to use, are recorded in the General Fund. Excess revenues at the end of the year, due back to the Board of County Commissioners, are shown as operating transfers out.

Agency Funds – Agency Funds are used to account for assets held by public officials in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

(c) Measurement Focus

General Fund – The General Fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balance (net current assets) is considered a measure of available, spendable or appropriable resources. General operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Agency Fund – Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Note 1. Summary of Significant Accounting Policies, Continued

(d) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the General and Agency Funds. The modification in such method from the accrual basis is that revenues are recorded when they become measurable and available to finance operations of the current year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include:

- (1) Principal and interest on general long-term debt, which is recognized when due; and
- (2) Expenditures are not divided between years by the recording of prepaid expenses.

(e) Budgetary Process

Chapter 195, Florida Statutes, governs the preparation, adoption and amendment process of the Tax Collector's annual budget. A budget is only required to be prepared for the General Fund. The Tax Collector's budget and amendments are prepared independently of the Board of County Commissioners and are approved by the State of Florida Department of Revenue. A copy of the approved budget is provided to the Board of County Commissioners.

The budget for the General Fund is prepared on the modified accrual basis. The annual budget serves as the legal authorization for expenditures. The level of control for appropriations is exercised at the functional level.

(f) Fixed Assets

Acquisitions of tangible personal property are recorded as expenditures in the General Fund at the time of purchase. These assets are reported to the Charlotte County, Florida, Board of County Commissioners and are recorded in the government-wide financial statements.

(g) Compensated Absences

The Tax Collector's employees accumulate sick and annual leave based on the number of years of continuous service and other criteria. Upon termination of employment, employees generally receive payment for accumulated leave.

As of September 30, 2013 the Tax Collector had \$278,464 in long-term compensated absences payable. This amount is reported in the government-wide financial statements of Charlotte County, Florida.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Note 2. Deposits and Investments

Deposits

The Tax Collector's policy allows for deposits to be held in demand deposits, savings accounts, certificates of deposit, money market accounts and overnight repurchase agreements. At September 30, 2013, the Tax Collector maintained deposits in a cash pool and overnight repurchase agreements for all fund types.

At September 30, 2013, the bank balance of \$8,197,656 is the total balance for all Tax Collector funds as participants of the pool and cannot be segregated by fund. The book balance was \$8,409,008 at September 30, 2013.

The Tax Collector had \$28,650 of cash on hand at September 30, 2013.

The deposits whose values exceed the limits of federal depository insurance are entirely insured or collateralized pursuant to the Public Depository Security Act of the State of Florida, Chapter 280 of the Florida Statutes.

Note 3. Retirement Plan

Plan Description and Provisions

The Tax Collector contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer Public Employees Retirement System (PERS) defined benefit and defined contribution pension plan controlled by the State Legislature and administered by the Florida Department of Administration, Division of Retirement. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, a health insurance subsidy, and survivor benefits to plan members and beneficiaries, respectively. The FRS was established in 1970 by Chapter 121, Florida Statutes. Changes to the law can be made only by an act of Florida Legislature. Rules governing the operations and administration of the System may be found in Chapter 60S of the Florida Administrative Code. The Florida Retirement System Annual Report is a document printed for members of the Legislature and the public, reflecting the financial operation and condition of the state-administered retirement systems. The publication contains financial statements, actuarial comments, investment information, and statistical data on the System. A copy can be obtained by writing to Division of Retirement, Research, Education & Policy Section, P.O. Box 9000, Tallahassee, Florida 32315-9000.

Funding Policy

Presently, the System requires contributions from covered members of 3% of gross wage. The current rates, based on employees' gross earnings, are regular employees 6.95%; senior management 18.31%; DROP participants 12.84%; and elected officials 33.03%. The contribution requirements of the Tax Collector are established and may be amended by the State Legislature. The Tax Collector contributions to the System for the fiscal year ended September 30, 2013 were approximately \$188,611 and equaled the required contributions for the year.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Note 4. General Long-Term Debt

The following changes in general long-term debt occurred during the year ended September 30, 2013:

Long-term debt payable at October 1, 2012	\$ 267,427
Increase in accrued compensated absences	376,752
Decrease in accrued compensated absences	<u>(365,715)</u>
Long-term debt payable at September 30, 2013	<u>\$ 278,464</u>

General long-term debt is comprised of the following:

Noncurrent portion of compensated absences	
Employees of the Tax Collector are entitled to paid sick and annual leave, based on length of service and job classifications	<u>\$ 278,464</u>

Note 5. Risk Management

The Tax Collector participates in the County-wide self-insurance and health insurance programs. Under these programs, the Self Insurance Fund provides coverage for up to a maximum of \$300,000 for each worker's compensation claim, \$350,000 for each general liability claim, and \$100,000 for all other perils other than windstorm per location per loss and a 5% windstorm deductible per location per loss. The County purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. The excess coverage for general liability and workers' compensation is \$1,200,000 and the excess for property is \$150,000,000. In April of 2009 the County opened an employee health center for use by employees participating in the County's Health Insurance Program. The main purpose was to help contain health insurance costs. In August of 2011 the County became self-insured for its health insurance. Under this program, the Health Insurance Trust Fund provides coverage for up to a maximum of \$300,000 per person per year. The County has excess medical insurance to pay for claim costs that exceed this amount.

Charges to operating departments are based upon amounts believed by management to meet the required annual payout during the fiscal year and to pay for the estimated operating costs of the program. For fiscal year ended September 30, 2013, the Tax Collector was charged \$35,178 for the self-insurance program and \$732,361 for life and health insurance which includes the retiree subsidy.

Note 6. Contingencies

The Tax Collector is involved from time to time in certain routine litigation, the substance of which as other liabilities or recoveries, would not materially affect the financial position of the Tax Collector.

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Note 7. Other Post Employment Benefits

Plan Description

In accordance with Section 112.0801, Florida Statutes, because the Tax Collector provides medical plans to employees of the Tax Collector and their eligible dependents, the Tax Collector is also required to provide retirees the opportunity to participate in the group employee health plan. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired Tax Collector employees.

Retired employees (retired after 1/1/2004) of the County and all constitutional officers who retire after 30 years of service or after the age of 55 with six years of credited service with the County and who were participants in the existing medical plan at the time of retirement are entitled to participation in the Plan. Currently, for employees who have completed 20 years of service with the County who are collecting FRS monthly benefit plans, the health benefit under the Plan provides for the County to contribute a per month supplement. The monthly supplement is \$10.00 per year of service up to \$300.00 per month. For County employees whose date of retirement was prior to 10/1/2008 the monthly supplement is \$5.00 per year of service up to \$150.00 per month. The Tax Collector has contributed \$10,890 during the year, including implicit rate subsidy.

Membership

As of September 30, 2013, membership consisted of:

Active Employees	57
Inactive Participants	2

Funding Policy

Funding for this plan is on a pay-as-you-go basis. The Program is currently unfunded. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the County's general assets when due. The Tax Collector has 2 employees receiving these benefits at year-end September 30, 2013.

Annual OPEB Costs and Net OPEB Obligation

Charlotte County had an actuarial valuation performed for the plan as of October 1, 2012 to include the funded status of the plan as of September 30, 2013, as well as the employer's annual required contribution (ARC) for the fiscal year ended September 30, 2013. The Tax Collector's annual OPEB cost for the fiscal year was \$26,643. The Tax Collector's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 is as follows:

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Note 7. Other Post Employment Benefits, Continued

Annual OPEB Costs and Net OPEB Obligation, Continued

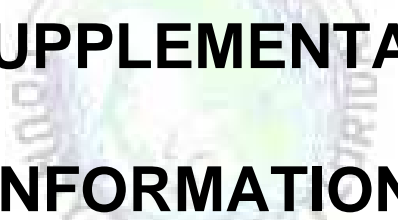
<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2013	\$ 26,643	\$ 10,890	40.87%	\$ 147,642
September 30, 2012	31,194	10,891	34.91%	131,889
September 30, 2011	29,411	11,412	38.80%	111,586

The funded status of the plan as of September 30, 2013 was as follows:

Actuarial Accrued Liability (AAL)	\$ 237,590
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>237,590</u>
Covered Payroll	\$ 2,274,785
Ratio of UAAL to Covered Payroll	<u>10.44%</u>

Valuation Methods and Assumptions

Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using and Individual Entry-Age Actuarial Cost method. The rate of return on investment under the pay-as-you-go approach is 4.5%, compounded annually. Salaries are assumed to increase between 4.0% and 9.47% depending on the member's age and service. Salary increase assumptions are the salary increase assumptions used in the most recent Actuarial Valuation of the Florida Retirement System (FRS).

A faint, circular seal of Charlotte-Mecklenburg Schools is visible in the background. The seal features a globe in the center, surrounded by the text "CHARLOTTE-MECKLENBURG SCHOOLS" and the year "1921".

SUPPLEMENTAL INFORMATION

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 7,273,640	\$ 7,273,640	\$ 6,966,600	\$ (307,040)
Miscellaneous	38,000	38,000	74,217	36,217
Total revenues	<u>7,311,640</u>	<u>7,311,640</u>	<u>7,040,817</u>	<u>(270,823)</u>
Expenditures:				
Current				
General government				
Non-court related				
Personal services	3,846,250	3,992,165	3,891,996	100,169
Operating expenditures	969,741	928,241	919,430	8,811
Capital expenditures	33,724	11,224	49,034	(37,810)
Total general government	<u>4,849,715</u>	<u>4,931,630</u>	<u>4,860,460</u>	<u>71,170</u>
Total expenditures	<u>4,849,715</u>	<u>4,931,630</u>	<u>4,860,460</u>	<u>71,170</u>
Excess of revenues over/(under) expenditures	<u>2,461,925</u>	<u>2,380,010</u>	<u>2,180,357</u>	<u>(199,653)</u>
Other financing sources (uses):				
Transfers out	(2,461,925)	(2,380,010)	(2,180,357)	199,653
Total other financing sources (uses)	<u>(2,461,925)</u>	<u>(2,380,010)</u>	<u>(2,180,357)</u>	<u>199,653</u>
Excess of revenues and other sources over/(under) expenditures and other uses	-	-	-	-
Fund balance, October 1, 2012	-	-	-	-
Fund balance, September 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
SEPTEMBER 30, 2013

Assets	Real Estate Fund	Delinquent Fund	License and Tag Fund
Cash and cash equivalents	\$ 4,541,176	\$ 487,542	\$ 418,781
Due from other governments	-	-	898
Due from individuals	-	-	7,480
Total assets	<u>\$ 4,541,176</u>	<u>\$ 487,542</u>	<u>\$ 427,159</u>
Liabilities			
Due to other constitutional officers:			
Board of County Commissioners	\$ 103,227	\$ -	\$ 35,521
Clerk of the Circuit Court	-	-	-
Property Appraiser	40		23
Total due to other constitutional officers	<u>103,267</u>	<u>-</u>	<u>35,544</u>
Due to other governments	39,376	-	389,196
Due to individuals	2,301	487,542	2,419
Deposits	4,396,232	-	-
Total liabilities	<u>\$ 4,541,176</u>	<u>\$ 487,542</u>	<u>\$ 427,159</u>

Tourist Development Tax Fund	Charity Fund	Total
\$ 111,437	\$ 2,247	\$ 5,561,183
-	-	898
-	-	7,480
<u>\$ 111,437</u>	<u>\$ 2,247</u>	<u>\$ 5,569,561</u>

\$ 111,437	\$ -	\$ 250,185
-	-	-
		63
<u>111,437</u>	<u>-</u>	<u>250,248</u>
-	-	428,572
-	2,247	494,509
-	-	4,396,232
<u>\$ 111,437</u>	<u>\$ 2,247</u>	<u>\$ 5,569,561</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
REAL ESTATE FUND				
ASSETS				
Cash	\$ 4,663,181	\$ 284,294,709	\$ 284,416,714	\$ 4,541,176
Due from other govern- mental agencies	-	1,076,493	1,076,493	-
Due from individuals	14,497	570,500	584,997	-
	<u>\$ 4,677,678</u>	<u>\$ 285,941,702</u>	<u>\$ 286,078,204</u>	<u>\$ 4,541,176</u>
LIABILITIES				
Due to other funds	\$ -	\$ 6,593,870	\$ 6,593,870	\$ -
Due to other constitu- tional officers	254,494	108,484	259,711	103,267
Due to other govern- mental agencies	102,621	39,376	102,621	39,376
Due to individuals	18,458	3,044,342	3,060,499	2,301
Deposits	4,302,105	341,849,795	341,755,668	4,396,232
	<u>\$ 4,677,678</u>	<u>\$ 351,635,867</u>	<u>\$ 351,772,369</u>	<u>\$ 4,541,176</u>
DELINQUENT FUND				
ASSETS				
Cash	\$ 214,384	\$ 17,182,234	\$ 16,909,076	\$ 487,542
	<u>\$ 214,384</u>	<u>\$ 17,182,234</u>	<u>\$ 16,909,076</u>	<u>\$ 487,542</u>
LIABILITIES				
Due to other funds	\$ -	\$ 311	\$ 311	\$ -
Due to individuals	214,384	17,318,063	17,044,905	487,542
	<u>\$ 214,384</u>	<u>\$ 17,318,374</u>	<u>\$ 17,045,216</u>	<u>\$ 487,542</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
LICENSE AND TAG FUND				
ASSETS				
Cash	\$ 259,675	\$ 25,270,389	\$ 25,111,283	\$ 418,781
Due from other funds	-	1,319,880	1,319,880	-
Due from other govern- mental agencies	4,090	122,403	125,595	898
Due from individuals	11,851	897,253	901,624	7,480
	<u>\$ 275,616</u>	<u>\$ 27,609,925</u>	<u>\$ 27,458,382</u>	<u>\$ 427,159</u>
LIABILITIES				
Due to other funds	\$ -	\$ 1,346,035	\$ 1,346,035	\$ -
Due to other constitu- tional officers	31,064	571,623	567,143	35,544
Due to other govern- mental agencies	243,966	25,397,889	25,252,659	389,196
Due to individuals	410	62,796	60,787	2,419
Deposits	176	1,856,447	1,856,623	-
	<u>\$ 275,616</u>	<u>\$ 29,234,790</u>	<u>\$ 29,083,247</u>	<u>\$ 427,159</u>
TOURIST DEVELOPMENT TAX FUND				
ASSETS				
Cash	\$ 97,653	\$ 2,668,454	\$ 2,654,670	\$ 111,437
Due from other funds	-	36,049	36,049	-
	<u>\$ 97,653</u>	<u>\$ 2,704,503</u>	<u>\$ 2,690,719</u>	<u>\$ 111,437</u>
LIABILITIES				
Due to other constitu- tional officers	\$ 97,637	\$ 2,876,563	\$ 2,862,763	\$ 111,437
Due to other funds	-	37,803	37,803	-
Due to individuals	16	1,061	1,077	-
	<u>\$ 97,653</u>	<u>\$ 2,915,427</u>	<u>\$ 2,901,643</u>	<u>\$ 111,437</u>

CHARLOTTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
For the Fiscal Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
CHARITIES FUND				
ASSETS				
Cash	\$ 1,273	\$ 14,146	\$ 13,172	\$ 2,247
	<u>\$ 1,273</u>	<u>\$ 14,146</u>	<u>\$ 13,172</u>	<u>\$ 2,247</u>
LIABILITIES				
Due to individuals	\$ 1,273	\$ 14,316	\$ 13,342	\$ 2,247
	<u>\$ 1,273</u>	<u>\$ 14,316</u>	<u>\$ 13,342</u>	<u>\$ 2,247</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 5,236,166	\$ 329,429,932	\$ 329,104,915	\$ 5,561,183
Due from other funds	-	1,355,929	1,355,929	-
Due from other govern- mental agencies	4,090	1,198,896	1,202,088	898
Due from individuals	26,348	1,467,753	1,486,621	7,480
	<u>\$ 5,266,604</u>	<u>\$ 333,452,510</u>	<u>\$ 333,149,553</u>	<u>\$ 5,569,561</u>
LIABILITIES				
Due to other funds	\$ -	\$ 7,978,019	\$ 7,978,019	\$ -
Due to other consti- tutional officers	383,195	3,556,670	3,689,617	250,248
Due to other govern- mental agencies	346,587	25,437,265	25,355,280	428,572
Due to individuals	234,541	20,440,578	20,180,610	494,509
Deposits	4,302,281	343,706,242	343,612,291	4,396,232
	<u>\$ 5,266,604</u>	<u>\$ 401,118,774</u>	<u>\$ 400,815,817</u>	<u>\$ 5,569,561</u>

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Special-Purpose Financial Statements Performed in
Accordance with *Government Auditing Standards***

Honorable Vickie L. Potts, CFM
Charlotte County Tax Collector
Port Charlotte, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the major fund and the aggregate remaining fund information of the Charlotte County, Florida, Tax Collector, (the "Tax Collector") as of and for the fiscal year ended September 30, 2013, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's special-purpose financial statements, and have issued our report thereon dated January 9, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's special-purpose financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control Over Financial Reporting, continued

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Tax Collector's management, the Charlotte County, Florida, Board of County Commissioners and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Osley Brown & Co.

Punta Gorda, Florida
January 9, 2014

Management Letter

Honorable Vickie L. Potts, CFM
Charlotte County Tax Collector
Port Charlotte, Florida

We have audited the special-purpose financial statements of the Charlotte County, Florida, Tax Collector, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated January 9, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report which is dated January 9, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Charlotte County, Florida, Tax Collector complied with Section 218.415, Florida Statutes.

- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, require that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Orlley Brown & Co.

January 9, 2014

Charlotte County Tax Collector

Vickie L. Potts

www.cctaxcol.com



January 13, 2014

Ashley & Brown CPA's
Certified Public Accountants
366 East Olympia Avenue
Punta Gorda, Florida 33950

Dear Mr. Ashley and Mr. Brown:

Pursuant to Chapter 10.550 "Rules of the Auditor General – Local Government Entity Audits" and Section 11.45 (3) (a) 4, Florida Statutes, we are in receipt of and are responding to your management letter, for fiscal year ended September 30, 2013.

I am very pleased with the outcome of the audit. Please extend our thanks to your staff for their outstanding work.

Sincerely,

A handwritten signature in cursive script that reads 'Vickie L. Potts'.

Vickie L. Potts,
Charlotte County Tax Collector

VLP/df

CHARLOTTE COUNTY TAX COLLECTOR

Executive Office
18500 Murdock Circle | Port Charlotte, FL 33948
Phone: 941.743.1350 | Fax: 941.623.1048